

AngioDynamics Reports Fourth Quarter and Fiscal 2007 Results

- **Fourth Quarter Net Sales Up 73% to \$40.9 Million**
- **Fourth Quarter GAAP Net Income Grows 43.5% to \$2.9 Million**
- **Fourth Quarter Adjusted (Non-GAAP) Income Increases 225% to \$6.9 Million or \$0.29 Per Share**
- **Fourth Quarter Cash Flow from Operations of \$5.3 Million**
- **On Plan to Achieve Projected FY08 RITA Medical Cost Savings of \$9 Million**
- **Additional Fiscal 2008 Guidance Provided**

QUEENSBURY, N.Y.--(BUSINESS WIRE)--July 24, 2007--AngioDynamics (NASDAQ:ANGO), a leading provider of innovative medical devices used by interventional radiologists and surgeons for the minimally invasive treatment of peripheral vascular disease and cancer, today reported financial results for the fourth quarter and fiscal year ended June 2, 2007. Financial results include RITA Medical, from January 29, 2007, the date of acquisition.

For the fourth fiscal quarter, the Company reported \$40.9 million in net sales, a 73% increase over the \$23.6 million reported for the same period one year ago. Fourth quarter net income increased to \$2.9 million from \$2.0 million, while GAAP EPS decreased to \$0.12 per share from \$0.15 per share due to the additional shares issued in conjunction with the RITA Medical acquisition. Adjusted (non-GAAP) EPS, which excludes stock based compensation, amortization of intangibles, and other items detailed in the tables included in this release, increased to \$0.29 per share from \$0.16 per share a year ago.

AngioDynamics products constituted \$26.3 million of fourth quarter net sales and RITA Medical products constituted \$14.6 million. AngioDynamics product sales grew 11% in the fourth quarter compared with the fourth quarter of fiscal 2006. There were five fewer business days in the fourth quarter of fiscal 2007 than in the fourth quarter of 2006. On an adjusted, average daily sales basis, AngioDynamics product sales grew 20% during the fourth quarter compared with the same quarter of last year. On a pro forma basis, RITA Medical sales grew 14% during the fourth quarter versus the comparable period of a year ago.

"We achieved solid financial performance during the fourth quarter, especially in light of the disappointing jury verdict regarding our VenaCure® product line," commented Eamonn P. Hobbs, president and chief executive officer of AngioDynamics. "Our positive financial results illustrate the significant progress we have made in integrating RITA Medical as well as the growth generated from product lines outside of VenaCure. We were pleased by our sales team's ability to regain market momentum for our RITA Medical ports product line as well as the strong sales growth in the Sotradecol®, PTA and TOTAL ABSCESSION® drainage product lines. In addition, our oncology business, led by our embolization bead and Habib™ product lines, also posted impressive sales.

"Following the jury verdict in the '777 patent litigation dispute with Diomed, we successfully launched our NeverTouch™ VenaCure product," continued Mr. Hobbs. "This required us to reach into our R&D pipeline and rapidly commercialize and introduce our product so that we could continue to serve the venous disease market. This new product has had a positive reception in the marketplace and we are excited about its opportunities over the long term. Despite our rapid recovery and execution of our strategy, there was an interruption to fourth quarter venous product sales. Nonetheless, we were able to achieve the sales guidance projected prior to the jury verdict, which we believe illustrates the benefits of a broad product line and a very capable sales force," said Mr. Hobbs.

Fourth Quarter Highlights

- Grew interventional product sales by 36% to \$32.1 million, with 20% growth in the AngioDynamics product sales on an adjusted, average daily sales basis
- Substantially completed the integration of RITA Medical into AngioDynamics operations and systems
- Finalized consolidation actions to achieve the anticipated \$9 million in cost savings from the RITA Medical operations in fiscal 2008
- Successfully launched the NeverTouch™ VenaCure® product on June 2, 2007

- Expanded the PTA Balloon Dilation Catheter Portfolio with launch of Profiler®
- Promoted industry veteran, John Soto, to lead global sales team
- Appointed Joseph Gersuk, who brought more than 25 years of senior financial executive experience, to the role of chief financial officer

Fiscal Year Results

For fiscal year 2007, The Company reported \$112.2 million in net sales, a 43% increase over the \$78.5 million reported a year ago. Of the \$112.2 million in net sales for fiscal 2007, AngioDynamics products constituted \$93.6 million and RITA Medical products constituted \$18.6 million. AngioDynamics product sales grew 19% over the prior fiscal year. The net loss for fiscal 2007, inclusive of the accounting for the acquisition of RITA Medical, litigation damages, and stock based compensation was \$9.1 million, or \$0.49 per share.

Fiscal 2008 Guidance

- Net sales in the range of \$170- \$175 million
- Approximately 45% of sales expected during the first half of the fiscal year and 55% of sales expected during the second half of the fiscal year; first quarter expected to be lowest sales quarter
- Gross profit margin in the range of 61-62%
- GAAP operating income in the range of \$20-\$22 million
- GAAP EPS in the range of \$0.56 - \$0.60
- Non-GAAP income of at least \$30 million. Non-GAAP income excludes stock-based compensation, amortization of intangibles and includes the cash benefit from the use of NOLs.

The Company also announced today that it has changed its fiscal period to end on the last day of the calendar month. Effective beginning in fiscal 2008, fiscal quarters will end on August 31, November 30, February 28 or 29, and the fiscal year will end on May 31.

"In many ways fiscal 2007 was an extraordinary year for AngioDynamics," continued Mr. Hobbs. "The year was highlighted by our January acquisition of RITA Medical and the associated broadening of the AngioDynamics' product lines to include leading edge oncology products. The acquisition brings a talented team that complements the experienced and proven team at AngioDynamics. I would like to thank all of our employees for their hard work and enthusiasm this past year in the face of many challenges. I am extremely proud of our team and am excited by the momentum we have as we pursue our goal of long-term industry leadership," concluded Mr. Hobbs.

Conference Call Information

AngioDynamics management will host a conference call to discuss this announcement today beginning at 4:30 p.m. Eastern time. To participate in the call, please dial (888) 713-4209 from the U.S. or (617) 213-4863 from outside the U.S. Please enter passcode 25543109.

A telephone replay of the call will be available from 6:30 p.m. Eastern time today through 11:59 p.m. Eastern time on July 31, 2007 by dialing (888) 286-8010 from the U.S. or (617) 801-6888 from outside the U.S., and entering the passcode 16976535.

In addition, individuals can listen to the call on the Internet by visiting the investor relations portion of the Company's Web site at: www.angiodynamics.com. A recording of the conference call will be archived there for 12 months.

Use of Non-GAAP Measures

Management uses non-GAAP measures to establish operational goals, and believes that non-GAAP measures may assist investors in analyzing the underlying trends in the Company's business over time. Investors should consider these non-GAAP measures in addition to, not as a substitute for or as superior to, financial reporting measures prepared in accordance with GAAP. In this news release, the Company has reported non-GAAP measures, adjusted income and adjusted EPS. Adjusted income and adjusted EPS excludes certain expenses relating to the acquisition of RITA Medical, stock-based compensation expense, litigation damages, and includes the cash benefit from the use of acquired net operating losses, and assumed taxes on net income using a 39% tax rate, where applicable. Management uses these measures in its internal analysis and review of operational performance. Management believes that these measures provide investors with useful information in comparing the Company's performance over different periods, particularly when comparing this period to periods in which the Company did not incur any expenses relating to these activities or items. By using these non-GAAP measures, management believes that investors get a better picture of the performance of the Company's underlying business. Management encourages investors to review the Company's net loss prepared in accordance with GAAP to understand the Company's performance taking into account all relevant factors, including those that may only occur from time to time but have a material impact on the Company's financial results. Please see the tables that follow for a reconciliation of GAAP to non-GAAP measures.

Safe Harbor

The statements made in this document contain certain forward-looking statements that involve a number of risks and uncertainties. Words such as "expects," "intends," "anticipates," "plans," "believes," "seeks," "estimates," or variations of such words and similar expressions, are intended to identify such forward-looking statements. Investors are cautioned that actual events or results may differ from the Company's expectations. In addition to the matters described above, the ability of the Company to develop its products, future actions by the FDA or other regulatory agencies, results of pending or future clinical trials, the outcome of pending patent litigation, overall economic conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organizations and competition, as well as the risk factors listed from time to time in the SEC filings of AngioDynamics, including but not limited to its Annual Report on Form 10-K for the year ended June 3, 2006, may affect the actual results achieved by the Company.

About AngioDynamics

AngioDynamics is a leading provider of innovative medical devices

used by interventional radiologists, surgeons, and other physicians for the minimally invasive treatment of cancer and peripheral vascular disease. The Company's diverse product line includes market-leading radiofrequency ablation systems, vascular access products, angiographic products and accessories, dialysis products, angioplasty products, drainage products, thrombolytic products, embolization products and venous products.

More information is available at www.angiodynamics.com.

ANGIODYNAMICS, INC. AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENTS (in thousands, except per share data)

Three months ended Fiscal Year ended ----- June 2, June 3, June 2, June 3, 2007 2006 2007
2006 ----- (unaudited) (unaudited) (3)

Net Sales \$40,855 \$23,592 \$112,227 \$78,451 Cost of sales (1) (2) 16,807 9,985 46,060 32,930 -----
--- Gross Profit 24,048 13,607 66,167 45,521 % of Net Sales 58.9% 57.7% 59.0% 58.0%

Research and development (1) (2) 3,043 1,359 20,555 5,869 Sales and marketing (1) (2) 11,138 6,378 31,605 21,399
General and administrative (1) (2) 4,077 2,735 13,172 7,779 Litigation damages 110 - 9,710 - Amortization of purchased
intangibles 1,648 31 2,350 168 ----- Total operating expenses 20,016 10,503 77,392 35,215 -----
----- Operating Income (Loss) 4,032 3,104 (11,225) 10,306 Other income (expense) net 790 221 4,053
816 ----- Income (loss) before income taxes 4,822 3,325 (7,172) 11,122 Provision for income taxes
1,897 1,287 1,955 4,256 ----- Net Income (Loss) \$ 2,925 \$ 2,038 \$ (9,127) \$ 6,866 =====
=====

Earnings (loss) per common share Basic \$ 0.12 \$ 0.16 \$ (0.49) \$ 0.55 Diluted \$ 0.12 \$ 0.15 \$ (0.49) \$ 0.53

Weighted average common shares Basic 23,934 12,724 18,444 12,378 Diluted 24,211 13,218 18,444 12,965

(1) Includes stock-based compensation charges of:

Cost of sales 157 13 476 44 Research and development 177 45 615 166 Sales and marketing 289 31 966 101 General and
administrative 445 41 1,441 141 ----- Total stock-based compensation 1,068 130 3,498 452 Less:
tax benefit (304) (46) (1,126) (159) ----- Net stock-based compensation \$ 764 \$ 84 \$ 2,372 \$ 293
=====

ANGIODYNAMICS, INC. AND SUBSIDIARIES CONSOLIDATED INCOME STATEMENTS (in thousands, except per share data)

Three months ended Fiscal Year ended ----- June 2, June 3, June 2, June 3, 2007 2006 2007
2006 ----- (unaudited) (unaudited) (3)

(2) Includes acquisition- related expense of:

Cost of sales - - 11 - Research and development - - 12,125 - Sales and marketing - - 18 - General and administrative 55 - 862
----- Total acquisition related expenses 55 - 13,016 - Less: tax benefit (21) - (348) - -----
----- Net acquisition related expenses 34 - 12,668 - =====

Reconciliation of Net Income (Loss) to non-GAAP adjusted income:

Net Income (Loss) \$ 2,925 \$ 2,038 \$ (9,127) \$ 6,866

Stock-based compensation 1,068 130 3,498 452 In-process R&D expense - - 12,100 - Litigation damages 110 - 9,710 -
Amortization of inventory step-up 894 - 1,192 - Amortization of purchased intangibles 1,648 31 2,350 168 Cash benefit from
use of NOL's 1,609 - 1,609 - Acquisition related expenses 55 - 916 - ----- Adjusted income before
taxes 8,309 2,199 22,248 7,486 Effect of income taxes (1,363) (61) (6,440) (236) ----- Adjusted
income \$ 6,946 \$ 2,138 \$ 15,808 \$ 7,250 =====

Adjusted income per common share Basic \$ 0.29 \$ 0.17 \$ 0.86 \$ 0.59 Diluted \$ 0.29 \$ 0.16 \$ 0.84 \$ 0.56

Weighted average common shares Basic 23,934 12,724 18,444 12,378 Diluted 24,211 13,218 18,749 12,965

(3) Derived from audited financial statements

ANGIODYNAMICS, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (in thousands)

June 2, June 3, 2007 2006 ----- (unaudited) (3) Assets Current Assets Cash and equivalents \$ 28,313 \$ 64,042
Marketable securities 43,191 25,710 Restricted cash 1,786 - Receivables, net 20,798 13,486 Inventories, net 28,569 15,968
Deferred income taxes 2,247 822 Other current assets 2,957 2,128 ----- Total current assets 127,861 122,156

Property, plant & equipment, net 16,832 10,802 Intangible assets, net 49,148 3,565 Goodwill 153,787 - Deferred income taxes
29,289 386 Other non-current assets 6,364 91 ----- Total Assets \$383,281 \$137,000 =====

Liabilities and Stockholders' Equity Current liabilities \$ 20,418 \$ 10,807 Long-term debt 17,115 2,755 Other long-term liabilities
9,790 - Stockholders' equity 335,958 123,438 ----- Total Liabilities and Stockholders' Equity \$383,281 \$137,000
=====

Shares outstanding 23,962 15,469

(3) Derived from audited financial statements

ANGIODYNAMICS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS (dollars in thousands)

Three months ended Fiscal Year ended ----- June 2, June 3, June 2, June 3, 2007 2006 2007
2006 ----- (unaudited) (unaudited) (3)

Cash flows from operating activities: Net (loss) income from operating activities 2,925 2,038 (9,127) 6,866 Depreciation and
amortization 2,014 326 3,764 1,082 Purchased research and development expense - - 12,100 - Tax benefit on exercise of
stock options (14) 697 597 2,036 Deferred income taxes 1,577 46 (2,818) (18) Stock-based compensation 1,069 131 3,498
452 Other long-term liabilities 190 - 9,790 - Other (108) 355 (37) 291 Changes in operating assets and liabilities Accounts
receivable (2,477) (1,489) (1,474) (3,827) Inventories (1,150) (3,014) (5,884) (5,887) Other 1,321 (607) (1,625) 2,224 -----
----- Net cash provided by (used in) operating activities 5,347 (1,517) 8,784 3,219 -----

Cash flows from investing activities: Additions to property, plant and equipment (2,836) (740) (5,806) (3,183) Payment of non-
refundable deposit - - (5,139) - Increase of restricted cash 1,630 - (1,786) - RITA acquisition, net of cash acquired (393) -
(23,712) - Acquisition of patent rights and licensing agreements (1) (500) (1,533) (2,893) Purchases of marketable securities,
net (14,077) (10,121) (17,066) (13,021) ----- Net cash provided by (used in) investing activities
(15,677) (11,361) (55,042) (19,097) -----

Cash flows from financing activities: Issuance of long-term debt - - 5,000 - Repayment of long-term debt (70) (45) (205) (165)
Proceeds from issuance of common stock - 62,459 - 62,459 Proceeds from exercise of stock options and ESPP 668 1,368
4,579 3,346 Tax benefit on exercise of stock options (7) - 1,674 - Other - (218) (519) (218) -----
Net cash provided by (used in) by financing activities 591 63,564 10,529 65,422 ----- Increase/
(decrease) in cash and equivalents (9,739) 50,686 (35,729) 49,544

Cash and cash equivalents Beginning of period 38,052 13,356 64,042 14,498 ----- End of period
28,313 64,042 28,313 64,042 =====

ANGIODYNAMICS, INC. AND SUBSIDIARIES NET SALES BY PRODUCT CATEGORY AND BY GEOGRAPHY (in thousands)

Three months ended Fiscal Year ended ----- June 2, June 3, June 2, June 3, 2007 2006 2007 2006
----- (unaudited) (unaudited) (3)

Net Sales by Product Category Interventional Products \$32,037 \$23,592 \$101,125 \$78,451 Oncology Products 8,818 - 11,102

----- Total \$40,855 \$23,592 \$112,227 \$78,451 =====

Net Sales by Geography United States 37,118 22,678 105,154 75,160 International 3,737 914 7,073 3,291 -----
----- Total \$40,855 \$23,592 \$112,227 \$78,451 =====

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